

in a Joint Account will be deemed to have consented to such sale and partition of the investments in the Joint Account.

13. Short-Term Investments held through a Joint Account with a remaining maturity of more than seven days, as calculated pursuant to rule 2a-7 under the Act, will be considered illiquid and, for any Participant that is an open-end investment company registered under the Act, subject to the restriction that the Participant may not invest more than 15% (or such other percentage as set forth by the SEC from time to time) of its net assets in illiquid securities and any similar restriction set forth in the Participant's investment restrictions and policies, if CII cannot sell the instrument, or the Participant's fractional interest in such instrument, pursuant to the preceding condition.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-31017 Filed 12-5-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 22361; 811-5435]

The Compass Capital Group®; Notice of Application

December 2, 1996.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for an Order under the Investment Company Act of 1940 (the "Act").

APPLICANT: The Compass Capital Group®.

RELEVANT ACT SECTIONS: Section 8(f).

SUMMARY OF APPLICATION: Applicant seeks an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on July 31, 1996 and amended on October 2, 1996. Applicants have agreed to file an amendment, the substance of which is incorporated herein, during the notice period.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 27, 1996, and should be accompanied by proof of service on applicants, in the form of an affidavit, or, for lawyers, a certificate of service.

Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested.

Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 680 East Swedesford Road, Wayne, Pennsylvania 19087.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Staff Attorney, at (202) 942-0572, or Alison E. Baur, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end management investment company with sixteen series that is organized as a business trust under the laws of Massachusetts. Twelve of applicant's series are diversified investment companies and four are non-diversified. Applicant registered under the Act and filed a registration statement on Form N-1A on December 31, 1987.

Applicant's registration statement was declared effective on March 1, 1988, and applicant commenced a public offering of its shares immediately thereafter.

2. On October 3, 1995, applicant's board of trustees considered and approved a reorganization agreement that provided for the transfer of all the assets and liabilities of applicant to the Compass Capital Funds (formerly, the PNC Fund®) (the "Acquiring Fund"), a registered open-end investment company. The board of trustees made the findings required by rule 17a-8 under the Act, *i.e.*, that the reorganization was in the best interest of applicant and that there would be no dilution, by virtue of the proposed exchange, in the value of shares held at that time by applicant's shareholders.¹

3. Definitive proxy materials were filed with the SEC on November 9, 1995. On November 9, 1995, applicant mailed proxy materials to its shareholders. On December 11, 1995, applicant's shareholders approved the reorganization.

4. On January 13, 1996, applicant transferred the assets and liabilities of

¹ Rule 17a-8 provides an exemption from section 17(a) for certain reorganizations among registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers.

fifteen series to certain series of the Acquiring Fund in exchange for shares of the respective series of the Acquiring Fund on the basis of the relative net asset values per share of the respective series of applicant and the Acquiring Fund. On February 13, 1996, the assets and liabilities of applicant's remaining series were transferred to a series of the Acquiring Fund in exchange for shares of that series of the Acquiring Fund on the basis of the relative net asset values per share of applicant and the Acquiring Fund. The shares of the Acquiring Fund received by applicant were distributed to the shareholders of applicant, *pro rata*.

5. The expenses incurred in connection with the reorganization totaled approximately \$700,000. Applicant paid \$286,723 of the expenses, of which \$170,734 related to the costs of printing and mailing proxy statements, \$56,500 related to audit fees, and \$59,489 related to legal expenses. The remaining expenses were borne by the Acquiring Funds and/or their advisers. No brokerage fees were paid in connection with the reorganization.

6. Applicant has taken steps to dissolve under the laws of the Commonwealth of Massachusetts.

7. There are no securityholders to whom distributions in complete liquidation of their interests have not been made. Applicant has retained no assets. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administrative proceeding.

8. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-31082 Filed 12-5-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Rel. No. 22360; International Series Release No. 1034; 812-10418]

The Lipper Funds, Inc., et al.; Notice of Application

December 2, 1996.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption Under the Investment Company Act of 1940 (the "Act").

APPLICANTS: The Lipper Funds, Inc. (the "Company"), on behalf of its portfolio